

Message Text

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PAGE 01 STATE 009787
ORIGIN EB-07

INFO OCT-01 EUR-12 ISO-00 SP-02 USIA-06 AID-05 NSC-05
CIEP-01 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00
COME-00 FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04
SIL-01 L-03 /083 R

DRAFTED BY EB:PHBOEKER:JB
APPROVED BY EB:JKATZ
-----150910Z 053233 /15
R 150213Z JAN 77
FM SECSTATE WASHDC
TO AMEMBASSY BRUSSELS
INFO AMCONSUL ANTWERP

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E.O. 11652: N/A

TAGS:EIND, BE

SUBJECT: BANKRUPTCY OF BADGER (BELGIUM)
REF: BRUSSELS 282
FOR AMBASSADOR FROM EB ASSISTANT SECRETARY KATZ

1. WE HAVE DISCUSSED YOUR CONCERNS REGARDING THE BADGER
BANKRUPTCY CASE WITH THE CHAIRMAN OF BADGER U.S. (BRAGENI)
AND THE EXECUTIVE VICE PRESIDENT OF RAYTHEON (PHALEN). THEY
WERE AWARE OF THE INTEREST OF SYBETRA IN BADGER
ANTWERP BUT INDICATED THAT SYBETRA
HAS DECIDED NOT TO PROCEED WITH PURCHASE NEGOTIATIONS.
BADGER IS CONVINCED THAT NO BELGIAN FIRM WOULD BE INTEREST-
ED IN BUYING BADGER-ANTWERP SINCE ITS ONLY ASSETS ARE ITS
EMPLOYEES, BUT THESE COME WITH CONSIDERABLE FINANCIAL LIA-
BILITIES IF ACQUIRED THROUGH THE PURCHASE ROUTE.

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2. BADGER ESTIMATES ITS TOTAL OBLIGATIONS TO BADGER
EMPLOYEES AS APPROXIMATELY \$3.5 MILLION. IT HOPES THAT
SOMETHING IN EXCESS OF \$2 MILLION CAN BE REALIZED FROM THE
ASSETS OF BADGER-ANTWERP, THUS COVERING SOMEWHERE BETWEEN
50 AND 65 OF ITS OBLIGATIONS TO EMPLOYEES FOR SEVERANCE
PAY.

3. RAYTHEON HAD CONSIDERED WHETHER OR NOT IT SHOULD IN ANY WAY INCREASE THE MARGIN OF THESE OBLIGATIONS THAT CAN BE MET BY LIQUIDATION OF BADGER ANTWERP. RAYTHEON DECIDED, HOWEVER, NOT TO PURSUE THIS COURSE OTHER THAN THROUGH PURCHASING ABOUT \$25,000 WORTH OF TREASURY STOCK STILL HELD BY BADGER ANTWERP. THE PRINCIPAL REASONS FOR THIS DECISION WERE APPARENTLY:

(1) BADGER WILL HAVE MET ITS OBLIGATIONS UNDER BELGIAN BANKRUPTCY LAW AND (2) IT IS CLAIMED THAT NEITHER BADGER NOR RAYTHEON WITHDREW ANY DIVIDENDS FROM BADGER ANTWERP DURING THE LIFE OF THE FIRM; THUS ALL FUNDS EARNED IN BELGIUM ARE STILL THERE AND AVAILABLE IN THE PROCESS OF LIQUIDATION.

4. WE PASSED ON YOUR FULL CONCERNS AND URGED BADGER AND RAYTHEON TO PROCEED AS RESPONSIBLY AS POSSIBLE GIVEN THE IMPACT THE BADGER CASE WOULD UNDOUBTEDLY HAVE ON BELGIAN AND EUROPEAN PERCEPTIONS OF RAYTHEON AND U.S. MULTINATIONAL BUSINESS. WE URGED BOTH BADGER AND RAYTHEON TO KEEP YOU AND US FULLY INFORMED OF THEIR ACTIONS SO THAT WE CAN HELP IN CORRECTING ANY MISUNDERSTANDINGS. BRAGENI INDICATED THAT HE WOULD DISCUSS THIS FURTHER WITH RAYTHEON'S CHAIRMAN PHILLIPS, WHO WAS NOT AVAILABLE TODAY, AND PASS ON ANY FURTHER DEVELOPMENTS TO US. BRAGENI ALSO RECOMMENDED THAT YOU STAY IN TOUCH WITH THE MANAGING DIRECTOR OF BADGER'S DUTCH COMPANY, LANGER. LANGER CAN BE REACHED IN THE HAGUE AT THE FOLLOWING TELEPHONE NUMBERS: OFFICE: 070-814841, LIMITED OFFICIAL USE

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HOME: 070-450080.

5. I SHALL PASS ON TO YOU PROMPTLY ANY FURTHER WORD WE GET FROM RAYTHEON OR BADGER HERE.
KISSINGER

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NNN

Message Attributes

Automatic Decaptioning: X
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Control Number: n/a
Copy: SINGLE
Sent Date: 15-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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Disposition Remarks:
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Litigation History:
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